

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7208

BILL NUMBER: SB 444

NOTE PREPARED: Jan 5, 2013

BILL AMENDED:

SUBJECT: Countywide public transit.

FIRST AUTHOR: Sen. Stoops

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows the county commissioners and a public transportation corporation (PTC) to expand the PTC's taxing district to include all of the county by adopting substantially identical ordinances.

The bill provides that the PTC's maximum permissible general fund property tax levy may not be increased by more than 50% of the PTC's maximum permissible general fund property tax levy for the previous year. It also provides that the county council must approve a proposed levy increase for the first year that the taxing district includes the entire county.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* If all seven eligible public transportation corporations are expanded to the county boundaries, property tax levies could increase by as much as \$18.8 M. Maximum levies for operating funds could increase by \$18.3 M and cumulative fund levies in two PTCs could increase by \$0.5 M. The actual fiscal impact would depend on local actions.

Background: In CY 2012, there were eight PTCs that received property tax revenue. Seven of the eight would be affected by this bill. (Gary Public Transportation is not governed by the affected statute). The seven PTCs had a combined certified net assessed value of \$54.8 B and a certified operating levy of \$36.4 M.

The expansion of the PTCs would mean that all taxpayers in the county would pay the PTC tax rate. The general fund rate in four PTCs would decline while three PTC tax rates would increase. Cumulative fund rates in the two PTCs with cumulative funds would not change but the levy would increase by about \$500,000. Additionally, one PTC, Indianapolis, has a debt service fund tax rate. The tax rate would be reduced slightly if the PTC is expanded.

The potential change in PTC general fund levies and tax rates are as follows:

Taxing Unit	2012 Max Levy (M)	Potential Levy Incr (M)	2012 GF Tax Rate	Est GF Rate Change
Fort Wayne Public Transportation	\$5.0	\$2.5	.0582	0.0010
Muncie Public Transportation	4.0	2.0	.2518	-0.0633
Indianapolis Public Transportation	21.0	10.1	.0803	0.0263
Speedway Public Transportation	0.25	0.125	.0453	-0.0442
Bloomington Transportation	1.05	0.5	.0322	-0.0069
South Bend Public Transportation	3.7	1.8	.0999	-0.0300
Greater Lafayette Public Transportation	2.2	1.1	.0477	0.0104
Total	36.6	18.3		

State Agencies Affected:

Local Agencies Affected: Counties; Public transportation corporations.

Information Sources: Local Government Database, Department of Local Government Finance.

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